

**CHAPTER 2. CASH AND FUND BALANCE WITH TREASURY**

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**CHAPTER 2. CASH AND FUND BALANCE WITH TREASURY****2.1 OVERVIEW.**

- 2.1.1 This chapter prescribes the accounting policy and related management requirements necessary to establish financial control over NASA's Fund Balances with the U.S. Treasury and other cash resources not part of the Fund Balance with Treasury. The requirements of this Chapter are applicable to all offices designated to prepare and report the Statement of Transactions (FMS 224) and associated reports to Treasury. These offices include the Agency Office of the Chief Financial Officer (OCFO), as well as the offices of the NASA Center Chief Financial Officers (CFO) and the NASA Shared Services Center (NSSC).

**2.2 POLICY.**

- 2.2.1 Recording Fund Balance With Treasury. NASA's Fund Balance with Treasury includes general funds, revolving funds, special funds, trust funds, miscellaneous receipt account, and budget clearing accounts. Treasury establishes the purpose of each fund in collaboration with the Office of Management and Budget. Fund definitions are provided in Section 2.5.
- A. NASA records all accounting transactions in its Integrated Enterprise Management Program/Core Financial System (IEMP/CF), an integrated accounting system. Transactions that affect Fund Balance with Treasury (FBWT) balances due to appropriation warrants, continuing resolutions, non-expenditure transfers, and investments are recorded at the agency OCFO level. Funds related to these activities are maintained at the Agency level, and there is no distribution to NASA Centers. NASA Centers record FBWT transactions due to collections and disbursements.
  - B. NASA must include the Agency Location Code (ALC) on all correspondence, forms, and other documentation forwarded to financial institutions, Treasury Financial Management Service (FMS), other Federal agencies, and Regional Finance Centers (RFC). The ALC is included on reports to Treasury such as the FMS 224 and particularly on all Standard Form (SF) 215s: Deposit Tickets, and/or related SF 5515s: Debit Vouchers.
  - C. NASA must provide FMS with the name, telephone number, and address of one contact person per designated ALC and must ensure this information is current at all times. To establish, change, or delete an ALC, NASA must contact FMS in writing. The need to make a change to the ALC may occur due to restructuring or reorganization of NASA or its financial management activity. FMS must receive written requests to establish, change, or delete an ALC at least 30 days before the requested effective date.
  - D. Not all of NASA's accounting transactions are initiated at the agency. There are several other agencies that perform financial activities on

NASA's behalf. Provided below is the FBWT activity performed by other agencies on NASA's behalf. As these activities occur, NASA must record the related transactions in IEMP/CF. These transactions may be reported to Treasury by the performing agency using the FMS 224 reporting process. When necessary, NASA reclassifies collections and/or disbursements and reports the transactions on the FMS 224 against the appropriate appropriation.

1. Grant Recipient Drawdowns. NASA grants recipients drawdown funds using the Department of Health and Human Services (DHHS) Payment Management System (PMS). DHHS reports grantee drawdowns or advances of funds made on NASA's behalf on DHHS's FMS 224. NASA records the disbursement of funds via an interface between PMS and IEMP/CF. NASA is required to reconcile the amount recorded in IEMP/CF to the disbursement reported in PMS and on the DHHS FMS 224.
2. Overseas Payments. The Department of State reports payments it makes on behalf of NASA to Treasury via its Statement of Accountability (FMS 1218 or 1219). The Department of State then provides transactional data (by embassy and country) to NASA on the Voucher Detail Report. NASA must review the transactions provided in this Report for accuracy and reconcile the transactions with the amounts reported in the Governmentwide Accounting (GWA) Account Statement.
3. Payroll Disbursements. The Department of Interior (DOI) processes NASA's payroll. DOI provides NASA with a report that includes the "Total Charge to Appropriation" which represents the amount of payroll expense that was disbursed by DOI on NASA's behalf. NASA then records this in IEMP/CF and reconciles the amount recorded in IEMP/CF to the disbursement reported by DOI to Treasury the DOI FMS 224.
4. Thrift Savings Plan (TSP) Disbursements. The National Finance Center maintains the accounts of TSP participants and processes contribution allocations, interfund transfers, loans, withdrawals and transfers of funds into the TSP from other plans. NFC charges TSP disbursements to NASA and reports the charges on the NFC FMS 224. NASA reconciles amounts recorded in IEMP/CF to disbursements reported on the GWA account statement.
5. Federal Investments. Treasury's Bureau of Public Debt (BPD) provides investment services to NASA. NASA processes investments and receives confirmation reports on the collection and disbursement of funds via the Treasury Direct FedInvest application. NASA records the investment transactions in IEMP/CF. The BPD reports investment activity on the FMS 224 on behalf of NASA.

- 2.2.2 Reconciling FBWT. Reconciling FBWT accounts is a key internal control process. It assures the reliability of the Government's receipt and disbursement data reported by NASA. The NSSC performs a daily reconciliation of payment and collection transactions recorded in United States Standard General Ledger (USSGL) account 1010, Fund Balance with Treasury. NASA Center Deputy Chief Financial Officers certify the documentation of this reconciliation. The Agency OCFO performs the reconciliation of USSGL account 1090, Fund Balance with Treasury under a Continuing Resolution. The reconciliation process is performed in accordance with the requirements of the Continuous Monitoring Program described in NASA Financial Management Requirements (FMR), Volume 19. NASA documents the reconciliation and makes it available to management, auditors, and Treasury, if requested. NASA must ensure that all adjustments are researched and traceable to supporting documents.
- A. NASA shall explain the cause of any discrepancies between their general ledger FBWT account balances and the balance in Treasury's GWA account statements. Each FBWT account and Treasury Account Symbol (TAS) must be reconciled. Any identified differences must be cleared within 2 months following the reconciliation. Discrepancies due to time lag shall be reconciled and discrepancies due to error shall be corrected. Only authorized officials should approve adjustments to the fund balance.
  - B. Any differences between the information submitted on the FMS 224 and collections or disbursements processed with Treasury are reported to NASA monthly on a Statement of Differences (FMS 6652) report until resolved. The OCFO is required to monitor NASA's Statement of Differences reported by Treasury on the FMS 6652 report for timely resolution.
- 2.2.3 Reporting Requirements. NASA must provide reports and information about its financial condition and operations to the Secretary of the Treasury as the Secretary may require.
- A. By the 3<sup>rd</sup> workday of each month, NASA must prepare the statement of transactions in accordance with direction provided in Treasury Financial Manual (TFM) 2-3300 and the NASA Financial Management Requirements, Volume 8, *External Reporting*, "Statement of Transactions" and submit this data to Treasury via the GWA Partial FMS 224 application.
  - B. At the end of the Fiscal Year, NASA must reclassify the cash and FBWT account balances reported in its audited financial statements to the closing package financial statement formats and submit adjusted trial balances via FACTS I.
  - C. The pre-closing unexpended balances provided through the FACTS II application must agree with the ending balances shown on the GWA Account Statement for September.

- D. NASA must comply with Office of Management and Budget (OMB) Circular No. A-136 that dictates the required elements for all Federal agencies financial statements, footnotes, required supplementary information and required stewardship supplementary information. This Circular requires that the FBWT shall be reported in specified financial statements and disclosed by fund type in notes to the financial statements. It also requires that disclosure shall be made to distinguish two categories of funds within NASA's Fund Balance with Treasury: the obligated balance not yet disbursed and the unobligated balance.

## 2.3 AUTHORITIES AND REFERENCES.

- 2.3.1 31 U.S.C. § 3513
- 2.3.2 Statement of Federal Financial Accounting Standard (SFFAS) No. 1, Accounting for Selected Assets and Liabilities
- 2.3.3 Treasury Financial Manual, Volume I, Federal Agencies, Part 2, Central Accounting and Reporting, Chapter 3300, "Statement of Transactions (FMS 224) Reporting By Agencies for Which the Treasury Disburses"
- 2.3.4 Treasury Financial Manual, Volume I, Federal Agencies, Part 2, Central Accounting and Reporting, Chapter 4200, "Agency Reporting on Unexpended Balances of Appropriations and Funds"
- 2.3.5 Treasury Financial Manual, Volume I, Federal Agencies, Part 2, Central Accounting and Reporting, Chapter 4300, "Reporting Instructions for Accounts Invested in Department of the Treasury Securities"
- 2.3.6 Treasury Financial Manual, Volume I, Federal Agencies, Part 2, Central Accounting and Reporting, Chapter 4700, "Agency Reporting Requirements for the Financial Report of the United States Government"
- 2.3.7 OMB Circular No. A-136, Financial Reporting Requirements
- 2.3.8 Financial Management Requirements, Volume 8, *External Reporting*, Chapter 14, "Statement of Transactions"
- 2.3.9 Financial Management Requirements, Volume 19, *Continuous Monitoring Program*

## 2.4 ROLES AND RESPONSIBILITIES.

- 2.4.1 NASA Agency Chief Financial Officer (CFO) and Deputy Chief Financial Officer (DCFO) shall:
- A. Coordinate and monitor the processes and systems used to record and report NASA's cash and FBWT.
- B. Record and reconcile agency level transactions.

C. Prepare and submit agency level reports to Treasury.

D. Review and approve manual adjustments to the IEMP/CF FMS 224.

2.4.2 NASA Center Chief Financial Officer and Deputy Chief Financial Officer shall:

A. Review and monitor differences in Center FBWT reports.

B. Certify documentation of the reconciliation of FBWT receipts and disbursements.

2.4.3 NASA Shared Services Center shall:

A. Prepare, sign, and submit the FMS 224.

B. Record and reconcile Center level transactions.

C. Research and explain differences between FBWT amounts recorded in IEMP/CF and reported on the FMS.

2.5 DEFINITIONS.

2.5.1 Adjustment. An accounting entry recorded to correct or modify a previously entered deposit or disbursement transaction, based on research by the agency.

2.5.2 Agency Location Code (ALC). A numeric symbol used to identify each agency or department accounting or reporting office. The ALC is used on reports and documents prepared by or for agency accounting stations and disbursing offices (e.g., eight-digit agency location station code, four-digit checking account symbol, and three-digit Treasury office number).

2.5.3 Authorized Official. An individual delegated authority to approve the recording, reporting, or reconciliation of accounting transactions in IEMP/CF.

2.5.4 Business Event Type Code (BETC). An eight-character code that indicates the type of activity being reported (borrowing, repayment, offsetting collection, receipt, disbursement, etc.) It is used in combination with the Treasury Account Symbol (TAS) to determine the transaction effect on the Fund Balance with Treasury.

2.5.5 CA\$HLINK II. CA\$HLINK II is a worldwide deposit reporting and cash concentration system. Users can obtain deposit information daily using the Agency Access option with CA\$HLINK II.

2.5.6 Clearing Accounts. These accounts are established for the temporary holding of general, special or trust collections, or unidentified disbursements pending posting to the applicable account.

- 2.5.7 Federal Reserve Bank (FRB). A Federally designated bank for processing check issue information transmitted to Treasury. In certain cases, the agency may use the FRB to make cash and/or check deposits.
- 2.5.8 Financial Management Service (FMS). FMS is a Treasury bureau that provides central payment services to Federal agencies, operates the Federal government's collections and deposit systems, provides Governmentwide accounting and reporting services, and manages the collection of delinquent debt owed to the government.
- 2.5.9 FMS 6652: Statement of Differences. FMS produces the Statement of Differences (FMS 6652) to identify differences between the amounts of deposit and disbursement reported by the ALCs and the corresponding amounts recorded by Treasury. A FMS 6652 is generated for each ALC by accounting month and accomplished month if there is a discrepancy. The accounting month is the month the report is generated. The accomplished month is the month the difference occurred.
- 2.5.10 Fund Balance with Treasury (US Standard General Ledger (USSGL) Account 1010). FBWT is the aggregate amount of funds on deposit with Treasury.
- A. FBWT increases by:
1. Receiving appropriations, re-appropriations, continuing resolutions, appropriation restorations, and allocations; and
  2. Transfers-in and reimbursements from other agencies.
- B. FBWT is reduced by:
1. Disbursements made to pay liabilities or to purchase assets, goods, and services;
  2. Investments in U.S. securities (securities issued by Treasury);
  3. Cancellation of expired appropriations;
  4. Transfers-out and reimbursements to other entities or to the Treasury; and
  5. Sequestration or rescission of appropriations.
- 2.5.11 Fund Balance with Treasury under a Continuing Resolution (USSGL Account 1090). The amount equal to the funding provided under a continuing resolution and apportioned in accordance with OMB's automatic apportionment bulletin. The balance in this account will adjust to zero when FMS processes a warrant and must adjust to zero by year-end.
- 2.5.12 General Fund. General Fund Expenditure accounts to record amounts appropriated by Congress for the general support of the Government.

- 2.5.13 General Fund Receipt Accounts. These are established to account for receipts that have not been earmarked by law for a specific purpose.
- 2.5.14 Governmentwide Accounting (GWA)-Account Statement. A statement that provides agencies with a central source for retrieving a monthly picture of their account balances to facilitate the maintenance of the Fund Balance with Treasury (FBWT). The GWA Account Statement presents appropriation and non-expenditure activity and displays summary transactions (payment schedules, deposit tickets) by both TAS and the ALC initiating the transaction.
- 2.5.15 Governmentwide Accounting (GWA)-Partial FMS 224 Application. The system used by Federal Program Agencies (FPA) to report monthly accounting activity to FMS.
- 2.5.16 Governmentwide Financial Report System (GFRS). GFRS is a system that captures each agency's closing package information and links the agencies' comparative, audited consolidated, department-level financial statements to the Financial Report and resolves material deficiencies identified by the Government Accountability Office (GAO).
- 2.5.17 Government On-Line Accounting Link System II (GOALS II). GOALS II is the Governmentwide network that provides automated financial reporting directly to FMS and the Office of Management and Budget (OMB). It also provides agencies with reports on receipt and disbursement activity and other FBWT transactions.
- 2.5.18 Integrated Enterprise Management Program/Core Financial System (IEMP/CF). IEMP/CF contains the integral component of NASA systems architecture for the business processes of the CFO.
- 2.5.19 Intra-Governmental Payment and Collection (IPAC) System. IPAC is one of the major components of the Government On-Line Accounting Link System II (GOALS II). The IPAC application's primary purpose is to provide a standardized interagency fund transfer mechanism for Federal Program Agencies (FPA). IPAC facilitates the intragovernmental transfer of funds, with descriptive data from one FPA to another.
- 2.5.20 NASA FMS 224 Reporting Entity. Any Agency, Center, or Department responsible for providing the FMS 224 to Treasury on NASA's behalf.
- 2.5.21 Regional Financial Centers (RFC). An FMS Center that issues payments and processes cancellation documents on behalf of Federal civilian agencies.
- 2.5.22 Revolving Fund Accounts. Funds authorized by specific provisions of law to finance a continuing cycle of business-type operations.
- 2.5.23 Service Provider. An agency, private sector, or public reimbursable source that is performing, or will perform, a commercial activity.



- 2.5.24     Special Fund Accounts. Special Fund Receipt Accounts are receipts from specific sources earmarked by law for specific purposes. Special Fund Expenditure Accounts are amounts appropriated from special fund receipts.
- 2.5.25     Statement of Transactions (FMS 224 or 224). A Statement used by Treasury disbursed Agencies to report their monthly FBWT disbursement and collection activity to Treasury.
- 2.5.26     Treasury Account Symbol (TAS). The receipt, expenditure, appropriation, and other fund account symbols and titles as assigned by Treasury.
- 2.5.27     Treasury Account Symbol/ Business Event Type Code (TAS/BETC). The combination of TAS/BETC used to identify transactions and classify them properly to determine the effect on the Fund Balance with Treasury.
- 2.5.28     Trust Funds. A trust fund agreement or statute designates a fund as a trust fund. Trust Funds are special accounts in the Treasury that receive earmarked taxes or other kinds of revenue collections, such as user fees, and from which payments are made for special purposes as established by law.